

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7142

BILL NUMBER: HB 1515

NOTE PREPARED: Jan 1, 2005

BILL AMENDED:

SUBJECT: Full-Day Kindergarten.

FIRST AUTHOR: Rep. Hoy

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that for purposes of computing the average daily membership and other pupil counts of school corporations, kindergarten pupils attending a full-day kindergarten program shall be counted as one pupil. It limits any increase in funding resulting from the recalculation of average daily membership to the part of the increase that is distributed from the state.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The bill would require students that attend a full-day kindergarten program to be counted as 1 in the determination of a school's ADM for school formula purposes. Currently, all kindergarten students are counted as ½ of an ADM for the school formula. The impact on the state and property tax levies would depend on the school formula. The current school formula expires on December 31, 2005. There is no school formula for CY 2006. The impact for CY 2006 and later would depend on the number of students attending full-day programs and the school formula adopted by the 2005 Legislature. There are approximately 10,300 students attending full-day programs.

The bill changes the way full-day kindergarten students are counted for the last six months of CY 2005 and distributes the 50% of the CY 2005 increase in state funding to local schools. The following chart shows the approximate increase in state funding for the last six months of CY 2005 assuming the current school formula parameters.

Program	Last Six Months CY 2005
State Regular Tuition Support	\$10,802,500
Prime Time	\$203,000
Growing School Grant	\$4,725,000
Remediation Grant	\$76,000
Total	\$15,806,500

The bill increases the calendar year cap, the maximum amount of tuition support that can be distributed by the state to local schools in a calendar year, from \$3,721.00 M to \$3,739.05M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Expenditures*.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

Information Sources: Department of Education Databases.

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